

# CONTROLLER STEVE WESTLY

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## Westly's Cash Receipt Update Highlights Amnesty Success

**SACRAMENTO** – State Controller Steve Westly announced today that cash receipts through May are up 17.7 percent over the same period last fiscal year, a more than \$11.4 billion increase.

Westly credited most of the increased revenue to the successful tax amnesty program. The program, which has brought in \$4.5 billion in new and accelerated revenue, was created by legislation authored by Assemblymember Judy Chu (D-Monterey Park) and co-sponsored by Controller Westly.

“Even though our year-over cash flow is up, we know we can’t grow our way out of looming budget deficits,” Westly said. “We were innovative in finding new money this year, but now it’s time to put partisanship aside and solve the State’s budget crisis.”

Key revenue sources – including income and sales taxes – continue to track with revised budget estimates for the year. Actual receipts to date for the current fiscal year are \$335.4 million higher than the most recent budget forecast, an increase of 0.4 percent.

May personal income tax receipts were \$2.9 billion, up 86.9 percent from last year, while retail sales and use taxes for the month were \$3.5 billion, up 38.8 percent from the same month last year.

July through May receipts continued to show gains compared to the same eleven months last fiscal year, according to the State Controller’s monthly General Fund Cash Basis Revenue Report. Personal income taxes were 15.6 percent higher; retail sales and use taxes were 8.8 percent higher; and corporation taxes were 66.5 percent higher.

Personal income taxes came in at \$38.1 billion, \$5.1 billion above last year. Retail sales and use taxes came in at \$22.7 billion this year, \$1.8 billion above the same period last fiscal year.

Corporation taxes yielded \$10.8 billion, \$4.3 billion above last year. One-time amnesty related protective claims account for the majority of the increase in corporation taxes.

**Excerpt of General Fund Cash Basis Revenue report follows.**

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**General Fund Cash Basis Revenues for the Month of May 2005 \*\***  
**Comparison of May 2005 to May 2004**  
In thousands

	Month of May		Comparison	
	2005	2004	Amount	%
Alcoholic Beverage Excise Tax	29,349	26,464	2,885	10.9
Corporation Tax	193,347	197,433	(4,086)	(2.1)
Cigarette Tax	7,640	12,764	(5,124)	(40.1)
Estate, Inheritance, and Gift Tax	35,457	42,246	(6,789)	(16.1)
Insurance Companies Tax	7,091	2,748	4,343	158.0
Personal Income Tax	2,870,981	1,535,831	1,335,150	86.9
Retail Sales and Use Taxes	3,483,606	2,509,764	973,842	38.8
Pooled Money Investment Interest	22,745	17,027	5,718	33.6
Not Otherwise Classified	131,219	214,373	(83,154)	(38.8)
Total Revenues	<u>6,781,435</u>	<u>4,558,650</u>	<u>2,222,785</u>	48.8

**General Fund Cash Basis Revenues for the Fiscal Year through May 2005 \***  
**Comparison of Fiscal Year 2004-05 to 2003-04**  
In thousands

	July 1 through May 31		Comparison	
	2005	2004	Amount	%
Alcoholic Beverage Excise Tax	287,259	287,490	(231)	(0.1)
Corporation Tax	10,781,874	6,476,535	4,305,339	66.5
Cigarette Tax	108,790	107,755	1,035	1.0
Estate, Inheritance, and Gift Tax	430,312	528,229	(97,917)	(18.5)
Insurance Companies Tax	1,753,664	1,689,574	64,090	3.8
Personal Income Tax	38,066,500	32,917,145	5,149,355	15.6
Retail Sales and Use Taxes	22,708,429	20,878,098	1,830,331	8.8
Pooled Money Investment Interest	141,872	105,442	36,430	34.5
Not Otherwise Classified *	1,559,172	1,434,686	124,486	8.7
Total Revenues	<u>75,837,872</u>	<u>64,424,954</u>	<u>11,412,918</u>	17.7

\* Excludes 2,263,609 received on 09/30/03 from the issuance of Tobacco Securitization Bonds

\*\* This information is based upon funded cash. Funded cash is cash reported to and recorded in the records of the State Controller's Office. Amounts reported as funded cash may differ from amounts in other reports to the extent there are timing differences in the recording of in-transit items.

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**General Fund Cash Basis Revenues for the Month of May 2005 \***  
**Comparison of Actual Amounts to 2005-06 May Revision Estimate**  
In thousands

	Month of May		Actual Over or (Under) Estimate	
	Actual	May Revision Estimate	Amount	%
Alcoholic Beverage Excise Tax	29,349	25,000	4,349	17.4
Corporation Tax	193,347	200,000	(6,653)	(3.3)
Cigarette Tax	7,640	9,000	(1,360)	(15.1)
Estate, Inheritance, and Gift Tax	35,457	25,000	10,457	41.8
Insurance Companies Tax	7,091	14,000	(6,909)	(49.4)
Personal Income Tax	2,870,981	2,618,000	252,981	9.7
Retail Sales and Use Taxes	3,483,606	3,389,000	94,606	2.8
Pooled Money Investment Interest	22,745	17,000	5,745	33.8
Not Otherwise Classified	131,219	149,000	(17,781)	(11.9)
<b>Total Revenues</b>	<b>6,781,435</b>	<b>6,446,000</b>	<b>335,435</b>	<b>5.2</b>

**General Fund Cash Basis Revenues for the Fiscal Year through May 2005 \***  
**Comparison of Actual Amounts to 2005-06 May Revision Estimate**  
In thousands

	July 1 through May 30		Actual Over or (Under) Estimate	
	Actual	May Revision Estimate	Amount	%
Alcoholic Beverage Excise Tax	287,259	282,910	4,349	1.5
Corporation Tax	10,781,874	10,788,527	(6,653)	(0.1)
Cigarette Tax	108,790	110,150	(1,360)	(1.2)
Estate, Inheritance, and Gift Tax	430,312	419,855	10,457	2.5
Insurance Companies Tax	1,753,664	1,760,573	(6,909)	(0.4)
Personal Income Tax	38,066,500	37,813,519	252,981	0.7
Retail Sales and Use Taxes	22,708,429	22,613,823	94,606	0.4
Pooled Money Investment Interest	141,872	136,127	5,745	4.2
Not Otherwise Classified	1,559,172	1,576,953	(17,781)	(1.1)
<b>Total Revenues</b>	<b>75,837,872</b>	<b>75,502,437</b>	<b>335,435</b>	<b>0.4</b>

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